

1 MR. TOPEL: So, I don't think that -- I don't think
2 there's a -- my objection is there's no predicate, Your Honor.

3 JUDGE CHACHKIN: Sustained. Can I have the, the
4 witness's response read back, whether she noticed confusion,
5 exactly what it is she just testified to?

6 COURT REPORTER: I'll have to reverse it and --
7 you'll have to hold on.

8 MR. SCHONMAN: Could we do that, Your Honor?

9 JUDGE CHACHKIN: Well, why don't you go ahead. We
10 can -- next question see if we can clear this up. The ques-
11 tion is did, did she have any -- was she aware at the time of
12 the error?

13 MRS. DUFF: I was not aware at the time.

14 MR. TOPEL: That's what she said.

15 JUDGE CHACHKIN: That's her testimony. She was not
16 aware of the error. She's talking about now --

17 MR. SCHONMAN: Okay.

18 JUDGE CHACHKIN: -- in retrospect, as I understand.
19 Is that when you're talking about --

20 MRS. DUFF: Yes.

21 JUDGE CHACHKIN: -- that was the beginning of the
22 error?

23 MRS. DUFF: Yes. But I did not recognize it --

24 MR. SCHONMAN: Do you know why --

25 MRS. DUFF: -- when I saw this.

1 BY MR. SCHONMAN:

2 Q Thank you. Do you know why Mr. Phipps prepared this
3 document?

4 A I probably would have called him or sent him a memo
5 or something after I received the letter from Mr. May refer-
6 encing being careful about the designations during the solici-
7 tation of funds to make sure that we have correct accounting.

8 Q Do you see the reference in this memo to \$9,270,323
9 having been pledged?

10 A Yes.

11 Q What does that amount refer to? Pledged for what or
12 for whom?

13 A It sounds to me like he was giving the total of what
14 we got for the entire telethon, but that would only be -- I
15 wouldn't know for sure without going back to our records.

16 MR. SCHONMAN: Your Honor, can we go off the record
17 for a moment, please?

18 (Off the record.)

19 (On the record.)

20 BY MR. SCHONMAN:

21 Q Mrs. Duff, if you turn back to No. 18, Bureau
22 Exhibit 18 on page 1, near the bottom the paragraph beginning
23 "A supporting elimate..." -- "a supporting element..." E L I M
24 A T E "...should be considered..." Do you see that paragraph?

25 A Yes.

1 Q And the following sentence says, "TBN has had a all-
2 time high during this last telethon period. Total pledges
3 received for TBN only were in excess of \$21,000,000 however."

4 A Yes.

5 Q Now, I'd like you to contrast that number, having
6 received 21 million dollars received for TBN only of pledges
7 to 9 million plus dollars that are referenced in Exhibit
8 No. 19. And my question is there, there seems to be a dis-
9 crepancy of, what, of many millions of dollars there. Do you
10 have any idea what happened to the, to the remaining money?

11 MR. TOPEL: I object. I don't think, I don't think
12 the documents -- I object, no predicate. I think the docu-
13 ments don't reflect such a discrepancy because one document
14 relates to total receipts for all purposes. The second docu-
15 ment re-- is not as comprehensive.

16 JUDGE CHACHKIN: I'll sustain your objection.

17 BY MR. SCHONMAN:

18 Q Mrs. Duff, I'd like you to look at Bureau Exhibit
19 No. 22, please. This is a letter from Joseph Dunne to you at
20 Trinity Broadcasting Network and there's a reference in the
21 first paragraph to "Trinity-associated translators." Do you
22 know what Mr. Dunne was referring to when he said "Trinity-
23 associated translators?"

24 A Well, those that were -- anything that I had to do
25 with.

1 Q Would that be TBN as well as Translator TV, Inc.,
2 translators?

3 A Yes, because they're obviously all in the -- you
4 know, each one is somewhat different. There is Trinity and
5 there's International Panorama and, and then there's Trinity
6 and then there's Translator. So, it's a real hodgepodge.

7 Q Would you turn to Bureau Exhibit No. 23? And that's
8 a letter from Joe Dunne to you at Trinity Broadcasting
9 Network. And in the second line there's a reference to
10 "Trinity or an affiliated organization." Do you see that?

11 A In two?

12 Q The second line of that letter.

13 A Oh, I'm sorry. Yes. Yes.

14 Q Do you know what is meant by the distinction between
15 Trinity or an affiliated organization?

16 A I can only assume what he meant there.

17 Q Well, I don't --

18 JUDGE CHACHKIN: -- assume what, what he meant.

19 BY MR. SCHONMAN:

20 Q You don't know? If you don't know, you don't know,
21 but you have to, you have to answer, one way or the other.

22 A I don't know exactly what he meant.

23 Q Do you have any general understanding?

24 A General understanding would be an organization that
25 had at least some of directors in common.

1 Q Would you turn to Bureau Exhibit No. 25? This is a
2 Praise The Lord newsletter for February 1981. Are you famil-
3 iar generally with the Praise The Lord newsletter?

4 A Yes.

5 Q What role, if any, do you play in the preparation of
6 these newsletters?

7 A I don't play any preparation. The only thing I
8 would occasionally do is to give Mr. Crouch information about
9 new stations that were granted or filed or something of that
10 nature.

11 Q Do you know who was involved in preparing the news-
12 letters?

13 A Mr. Crouch actually read -- he would make -- he
14 would do an article with just a letter to his viewers and then
15 there would be people from the Promotions Department, the
16 various people over the years, that would do the pictures and
17 the captions and provide graphics and that type of thing.

18 Q Do you know who would review the document before it
19 was mailed out to subscribers?

20 A Mr. Crouch would review his letter, but I don't know
21 if he reviewed the entire letter every time.

22 Q Would you turn to Bureau Exhibit No. 26? And that's
23 a 1981 -- February 3, 1981, Annual Meeting of Trinity
24 Broadcasting Network?

25 A Yes.

1 Q And that indicates, if I'm correct, that on February
2 3, 1981, you, Paul Crouch, and Norman Juggert were confirmed
3 as Directors of TBN? Is that correct?

4 A Yes.

5 Q Did Translator TV, Inc., hold an annual meeting in
6 1981?

7 MR. TOPEL: I believe that was covered by Mr. Cohen.

8 JUDGE CHACHKIN: Well, I don't know --

9 MR. TOPEL: Twice, I think.

10 JUDGE CHACHKIN: -- whether it was covered or --
11 anyways, it's overruled as an objection. There's a question
12 being asked did TBN hold -- who, did Translator hold an annual
13 meeting in 1981?

14 MR. SCHONMAN: Correct.

15 JUDGE CHACHKIN: That's the question.

16 BY MR. SCHONMAN:

17 Q Mrs. Duff?

18 A Okay.

19 Q Yes. We're waiting for an answer from you.

20 A I, I know there was one year that was missed, so I
21 don't know whether it was that year or another one.

22 Q Mrs. Duff, would you turn to Bureau Exhibit No. 29,
23 please? Can you tell me when you've finished taking a look at
24 that?

25 A Yes.

1 Q Do you know why Mr. Phipps created this document?

2 A No, I don't.

3 Q Do you know who asked him to do it?

4 A I, I really don't.

5 Q Do you recall ever seeing this document before
6 today?

7 A During the preparation for my testimony I noticed
8 it, but I don't know remember the document.

9 JUDGE CHACHKIN: Well, Mr. Phipps was Director of
10 Finance. Are you generally familiar with his duties as
11 Director of Finance?

12 MRS. DUFF: Yes.

13 JUDGE CHACHKIN: And would any of his -- did his
14 duties also encompass that he would prepare projections from
15 time to time?

16 MRS. DUFF: He would do that, but I don't specifi-
17 cally remember requesting this particular one.

18 JUDGE CHACHKIN: Well, did someone have to specifi-
19 cally request it or was it just his responsibility to make
20 projections from time to time, consistent with his role of
21 Director of Finance?

22 MRS. DUFF: It may have been.

23 JUDGE CHACHKIN: You just don't recall?

24 MRS. DUFF: I really don't.

25 JUDGE CHACHKIN: All right.

1 MRS. DUFF: He was only there for about a year and a
2 half.

3 BY MR. SCHONMAN:

4 Q Mrs. Duff, would you turn back to Bureau Exhibit
5 No. 28, please? This is an Amendment to the Crestline, Cali-
6 fornia, application, is that correct?

7 A Yes.

8 Q And did this Amendment serve to correct some of the
9 errors that were contained in the application as originally
10 filed?

11 A Yes, I guess it did.

12 Q Would you turn to Bureau Exhibit No. 32? That's a
13 letter from Joe Dunne to you at Trinity Broadcasting Network,
14 and the third paragraph from the top says I've also -- "I also
15 have in our pending files applications for Translator TV,
16 Inc., which were not filed because of uncertainties concerning
17 TTI's financial situation." And my question for you is do you
18 have any knowledge as to what uncertainties Mr. Dunne is
19 referring to there?

20 A There was a, there was a financial problem. There
21 just wasn't enough money to be able to show that we had the
22 ability to get the funds from, from TBN to provide these
23 stations with proper financial backing. At that particular
24 time we had to give a -- not only the financials for the
25 building of the station but also for three months operation, I

1 believe. So, it was quite a large amount of money and it just
2 wasn't available at that time.

3 Q Did Translator TV, Inc., receive any money from the
4 telethon in November 1980?

5 A Yes.

6 Q How much?

7 A To my knowledge, it was only \$31,000.

8 Q Where was that money deposited?

9 A It was --

10 Q If you know.

11 A Since Translator didn't have its own account at that
12 time, it was recorded on the books of Translator by the
13 Trinity Accounting Department.

14 Q Was it deposited in an account anywhere?

15 A It would, it would have been in a joint account, or
16 Trinity account, and then accounted to Translator.

17 Q But it was in a Trinity account?

18 A Yes.

19 Q Will you take a look at Bureau Exhibit No. 33,
20 please? There's a reference in the second paragraph to the
21 Tulsa application. Do you see that?

22 A Yes.

23 Q Was the Tulsa application originally slated to be a
24 Translator TV, Inc., application?

25 A No. It was supposed to be a translator for the

1 Oklahoma City station, and I think our attorneys made an error
2 in the filing -- or in the preparation somehow.

3 Q For, for what company -- I, I'm sorry. I don't
4 understand your answer. Could, could you explain it again?

5 A Okay. The Oklahoma station, that Tulsa station was
6 supposed to be a translator of the Oklahoma City station. And
7 Mr. Dunne had made an error, and that's what this letter is
8 referencing.

9 JUDGE CHACHKIN: My curiosity, what does the HBO
10 refer to? It's not Home Box Office, is it?

11 MRS. DUFF: No. You know, it's so long ago I can't,
12 I can't tell you what it was either.

13 BY MR. SCHONMAN:

14 Q Mrs. Duff, can we turn now to Bureau Exhibit No. 36,
15 and specifically page 3, paragraph five? It starts off, "The
16 comptroller who prepared the statement..." --

17 A Yes.

18 Q -- and continues on. That refers to a TBN comp-
19 troller? Is that correct?

20 A Yes.

21 Q Would you turn to Bureau Exhibit No. 37? This is a
22 letter from you to Gammon and Grange. Now, this letter in-
23 volved Translator TV, Inc., matters, didn't it?

24 A Yes.

25 Q Is there any reason in particular while -- why you

1 signed off as Assistant to the President for Trinity
2 Broadcasting Network?

3 A That was an error. I just did a lot of correspon-
4 dence and I probably overlooked the fact that this was in
5 reference to Translator.

6 Q You got the two companies confused?

7 A Yes.

8 Q Will you turn to Bureau Exhibit No. 38, please?
9 Mrs. Duff, do you know who prepared this document, which is
10 the Return of Organization Exempt from Income Tax for 1980,
11 Form 990?

12 A The 990s were usually done by our accounting firm.
13 I notice on page 4 it says Main Herdman (phonetic sp.) at the
14 bottom of the page.

15 Q Was that a firm attained by TBN?

16 A Yes.

17 Q Who paid Main Herdman for their services, do you
18 know?

19 A Let's see. The date on this is December.
20 Translator probably had enough money to -- I'm not sure at
21 this particular time whether it was allocated to Translator or
22 not. I don't have any way of, of knowing that for sure.

23 Q Had Translator TV, Inc., retained Main Herdman?

24 A Not directly, no.

25 Q There had been no Board action --

1 A No, there had been no Board action.

2 Q Did you prepare this -- strike that. Did you review
3 this document before it was submitted to the Federal
4 Government?

5 A I don't remember reviewing it, but I probably did.

6 Q It would have been your practice to do so?

7 A It -- yes. It, it would have been. In fact --

8 Q I'm sorry.

9 A -- I was going to say that there is a possibility I
10 might have even signed it. This signature is just really too
11 hard to read, though. I don't know. I can't tell for sure.

12 Q Now, now, at this time, that is, December 1980,
13 Reverend Espinoza was the CFO of Translator TV, Inc., wasn't
14 he?

15 A That's correct.

16 Q Do you have any knowledge as to whether he was sent
17 a copy of this before it was filed?

18 A I don't believe I ever sent him a copy. If I had
19 it, if it was provided for us in time for any of the Board
20 meetings, we would have reviewed it at a Board meeting, but I,
21 but I don't have a, a recollection of, of doing it.

22 Q Do you recall discussing this document with Reverend
23 Espinoza before it was filed with the Federal Government?

24 A No, I don't have a recollection. Since we're a
25 nonexempt corporation, there wouldn't -- we wouldn't really

1 owe any income tax, so it wouldn't be something that was
2 really vital.

3 Q We're going to make a quantum leap to Bureau Exhibit
4 No. 47.

5 JUDGE CHACHKIN: Hear! Hear!

6 BY MR. SCHONMAN:

7 Q And that at the annual meeting of Translator TV,
8 Inc., held on February 26, 1982. Now, at this time Translator
9 TV, Inc., was roughly two years and perhaps two months old?
10 Is that correct?

11 A Yes.

12 Q Are you able to explain why in the fourth paragraph
13 down the Board found it necessary to confirm the terms of the
14 Officers?

15 A I don't know.

16 Q The Officers didn't have terms, did they?

17 A No, not the Officers. They served at the pleasure
18 of the Board.

19 Q Do you know who made the motion?

20 A I don't.

21 Q Or who seconded it?

22 A I don't.

23 Q Do you remember voting on it?

24 A I don't remember the meeting.

25 Q Do you know who prepared the Minutes?

1 A Norm Juggert prepared the Minutes.

2 Q Wasn't this meeting part of the larger meeting
3 involving all of Trinity's Directors?

4 A Yes.

5 Q Why was that?

6 A For convenience. Everybody was in the same room and
7 it -- all the Directors that were Translator Directors were
8 there and all of TBN Directors were there too. So, it just
9 made it convenient.

10 JUDGE CHACHKIN: If, if Translator was a different
11 company, why -- will you explain to me why they would be
12 participating in a joint meeting rather than conducting their
13 own business separately?

14 MRS. DUFF: Well, because at this particular time
15 there wasn't anything happening with, with Translator. The
16 FCC had put a -- I think the freeze had already been issued on
17 the applications and it was a dormant company at this point.
18 So, there was no real business other than the election of
19 officers. And in order for David to still feel like he was a
20 part of something, we invited him to be there and, and for us
21 to have a meeting to, to try to keep the corporation -- at
22 least some interest in the corporation.

23 JUDGE CHACHKIN: So, the meeting dealt primarily
24 with Trinity and --

25 MRS. DUFF: Well --

1 JUDGE CHACHKIN: -- Trinity's affiliates. Is that
2 what you're saying?

3 MRS. DUFF: Well, this was actually the Minutes that
4 were structured for Translator.

5 JUDGE CHACHKIN: Pardon me?

6 MRS. DUFF: They -- these were Translator Minutes.
7 It says Translator TV.

8 JUDGE CHACHKIN: I understand that, but these exact
9 same Minutes was the Minutes of, of TBN? Is there any differ-
10 ence between these Minutes and the Minutes of TBN?

11 MRS. DUFF: Without really observing TBN's Minutes,
12 I, I wouldn't know.

13 JUDGE CHACHKIN: Of course, you're not telling me
14 all these actions that took place dealt with Translator, are
15 you?

16 MRS. DUFF: I'm just looking at the --

17 JUDGE CHACHKIN: In fact, I don't --

18 MRS. DUFF: It said --

19 JUDGE CHACHKIN: -- see anything that dealt with
20 Translator. Can you point out anything in these Minutes that
21 would relate to Translator, which you stated was a --
22 corporation.

23 MRS. DUFF: No. This is actually -- it, it looks
24 like the -- that really the, the Minutes themselves are
25 mislabelled because there isn't any -- I mean, I'm just now

1 reading the Minutes myself, because I haven't read them for
2 years.

3 JUDGE CHACHKIN: Yes.

4 MRS. DUFF: And -- on the third paragraph it says
5 the meeting was held as part of the joint meeting of all
6 corporations affiliated with Trinity Broadcasting Network.
7 The meeting was conducted in the Board Room at Trinity
8 Broadcasting Network, Inc.

9 JUDGE CHACHKIN: So, do I understand from this that
10 the Minutes, the Annual Minutes of all the affiliate corpora-
11 tions are exactly the same as this Annual Minutes of
12 Translator TV, Inc., for this Annual Meeting --

13 MRS. DUFF: For --

14 JUDGE CHACHKIN: -- since they were all held at the
15 same time?

16 MRS. DUFF: It appears that that's the way this
17 reads.

18 JUDGE CHACHKIN: Go ahead, then.

19 BY MR. SCHONMAN:

20 Q Mrs. Duff, can we continue with Bureau Exhibit
21 No. 50, and that's a report of a Certified Public Accountant.
22 It's Trinity Broadcasting Network, Financial Statement with
23 accompanying information. I'd like to direct your attention
24 to page 21 in particular. Do you see on page 21, Translator
25 TV, Inc., is included in this Financial Statement prepared for

1 TBN. Do you see that?

2 A Yes.

3 Q Can you tell me why Translator TV, Inc., was
4 included?

5 A Because Translator at this particular time was
6 pretty much a dormant company and there was very little activ-
7 ity. However, we had had the one fundraiser, and it was
8 considered an affiliate for the purposes of this spreadsheet
9 or whatever, the combined statement, rather.

10 Q Did you review this document at the time it was
11 prepared?

12 A I don't have a specific memory of it, but it's the
13 type of thing that we would do at an annual board meeting,
14 yes.

15 Q Do you know if a copy of this was sent to Reverend
16 Espinoza, who was the CFO for Translator TV, Inc., at the
17 time?

18 A I think David was at the Board meeting, unless I'm
19 mistaken. Usually he was at those Board meetings, and I would
20 think that he would have observed it at that time. I do not
21 remember sending him a copy of it, but that doesn't mean I did
22 -- I just don't remember. It's been too long ago.

23 Q Do you recall any discussions with any other Board
24 members of Translator TV, Inc., about the contents of this
25 financial statement?

1 A I don't have a specific memory of it. This was,
2 what, in 1991-- 1981. I really don't.

3 Q So, it would have been your practice to review this
4 document?

5 A Yes. There -- the practice would be to review it
6 and have a discussion about it. However, I have to admit when
7 you think of the dollar amounts involved with all the other
8 corporations, I'm sure that Translator wouldn't have gotten an
9 awful lot of attention because there was nothing going on with
10 it and, compared to the other dollars involved, they were very
11 small.

12 Q Mrs. Duff, on page 21, there would appear to be a
13 negative Fund Balance. Do you see that?

14 A Yes.

15 Q At the time, did you or anyone on Translator TV,
16 Inc.'s Board notice that?

17 A I really -- since I don't have a memory of the
18 meeting or looking at this at the time, I can't say that,
19 that, that we did.

20 Q In other words, it, it was your practice to examine
21 the document but you, you can't recall having noticed the
22 negative balance?

23 A No. I, I just don't have a recollection of having
24 looked at it. And had I looked at it, I probably wouldn't
25 have paid that much attention to it because I knew that there

1 wasn't any activity and this was such a small amount compared
2 to all the rest of the dollar figures. It's pro--

3 Q So, in other words, the negative Fund Balance of
4 34,000-plus dollars would not have raised any red flags?

5 A It really would--

6 Q -- for, for what you -- what -- for what you've
7 called a, a dormant company?

8 A No. It really wouldn't have. We, we might not have
9 even looked at that.

10 Q Well, what would you have looked at --

11 A We would have loo--

12 Q -- in the normal course of examining this document?

13 A We would have looked at -- let's see. All the other
14 corporations.

15 Q At, at Translator TV, Inc.'s annual meeting with --

16 A Well, this was --

17 JUDGE CHACHKIN: A combined meeting.

18 MRS. DUFF: This was a combined meeting of all the
19 corporations and Translator was a, for all practical purposes,
20 a dormant company at that particular time. There wasn't any
21 activity. Because at that time I believe that the Commission
22 had put a freeze on, if I'm -- if I've got my dates correct,
23 anyway.

24 JUDGE CHACHKIN: When you say a dormant corporation,
25 you hadn't notified the State that you no longer are operating

1 --

2 MRS. DUFF: Well --

3 JUDGE CHACKIN: -- that Translator TV was no longer
4 in operation, did you?

5 MRS. DUFF: That was probably a poor choice of
6 terms. It was a corporation without any activity that --
7 current activity would be a better way to, way to phrase it.

8 BY MR. SCHONMAN:

9 Q Let's jump ahead to Bureau Exhibit No. 55, which is
10 a joint annual meeting with Trinity Broadcasting Network and
11 affiliates for January 14, 1993. Now, Translator TV, Inc.,
12 was included at this annual meeting, wasn't it?

13 A Yes, sir.

14 Q And why was that? Why was it included in a joint
15 meeting in 1983?

16 A The only thing I can do it just conjecture. I, I --

17 Q I don't want you to do that.

18 A Okay. I don't know.

19 Q You have no idea at all? You don't -- you have no
20 recollection as to why Translator TV, Inc., held a joint
21 meeting with the other companies?

22 A Well, the only thing I can say is I don't know
23 exactly because it wouldn't be totally my decision. I would
24 -- all I could do is just give you my idea of what might have,
25 because I don't really have a memory of it.

1 Q Well, who -- do you know whose decision it was to
2 hold Translator TV, Inc.'s annual meeting jointly with
3 Trinity's other companies?

4 A It was probably a consensus of the Board, but I
5 don't really remember that.

6 Q Whose Board?

7 A Of the Translator Board, which would have been
8 David, myself, and Mr. Crouch.

9 JUDGE CHACHKIN: Do you remember any discussion --
10 do you have any recollection of any discussion whereby you
11 agreed, the Board agreed, to hold a joint meeting?

12 MRS. DUFF: I don't remember in 1983 whether or not
13 we had a discussion or not.

14 JUDGE CHACHKIN: So, you have no recollection as to
15 the circumstance of why Translator TV had a joint meeting with
16 the subsidiaries and affiliates of Trinity?

17 MRS. DUFF: I can --

18 JUDGE CHACHKIN: -- rather than holding a separate
19 meeting?

20 MRS. DUFF: Okay.

21 JUDGE CHACHKIN: You have no recollection of, of the
22 reasons why that happened?

23 MRS. DUFF: I don't have a specific recollection. I
24 can give you an idea of what I think might have --

25 JUDGE CHACHKIN: Well, I don't want to hear what you

1 think --

2 MRS. DUFF: Okay.

3 JUDGE CHACHKIN: -- might have happened. I want you
4 to tell me why it took place.

5 MRS. DUFF: I don't know.

6 JUDGE CHACHKIN: All right.

7 BY MR. SCHONMAN:

8 Q Let's move ahead to Bureau Exhibit No. 61, and
9 that's a Financial Statement prepared by Certified Public
10 Accountants. It's a Combined Financial Statement and I'd like
11 to direct your attention to page 25. Now, I notice there that
12 Translator TV, Inc., is again included in this Combined
13 Financial Statement. Do you see that on page 25?

14 A Yes.

15 Q Can you tell me why it was included again?

16 A Because of common Directors.

17 Q It -- are, are you finished?

18 A Yes. Common Directors.

19 JUDGE CHACHKIN: What does common Directors have to
20 do with the reason for preparation of a Combined Financial
21 Statement if, as you state in your testimony, this was a
22 separate company?

23 MRS. DUFF: If in fact Translator had had to pay for
24 an accountant, I would think that we would have not been able
25 to afford to have any accounting services at all, but we were

1 relying on Trinity Broadcasting to provide the accounting
2 services. So, this was one way for it to be accomplished and
3 we would have a record of finances.

4 JUDGE CHACHKIN: But then why couldn't the CPA
5 prepare a separate financial statement solely for Translator
6 TV? Why did he include in his Combined Financial Statement
7 all the, the activities -- why did he merge all the activities
8 of Translator with all the other subsidiaries and affiliates
9 of Trinity if, as you say in your testimony, that Translator
10 TV was a separate, independent company?

11 MRS. DUFF: The only thing I could do is conjecture
12 there, and I think it had to do with finances, that it would
13 be a costly project. It would be more costly to have it done
14 separately than to do it jointly.

15 JUDGE CHACHKIN: I'm not talking about jointly. I'm
16 talking about why is it included in a consolidated financial
17 statement for Trinity if it's a separate corporation unaffili-
18 ated with Trinity? Why is it included in a consolidated
19 financial statement? Did you, as a member -- a Director of
20 the Board of Directors of Translator, when you -- did you
21 authorize, participate in any discussions whereby the CPA
22 would prepare a Combined Financial Statement?

23 MRS. DUFF: The only thing I can remember is my --
24 the considerations were always what is the cheapest way that
25 we can get it done, and it was always the financial

1 considerations that I had foremost in mind, because Translator
2 didn't really have any income.

3 JUDGE CHACHKIN: But I still don't understand why it
4 was included in a Combined Financial Statement as opposed to a
5 separate financial statement separated from the subsidiaries
6 of Trinity if it's -- if, as you state in your testimony, it
7 was a separate company unaffiliated with Trinity?

8 MRS. DUFF: The only consideration I gave was the
9 fact that I knew that it was not going to cost me -- it was
10 not going to cost Translator.

11 JUDGE CHACHKIN: All right. Go ahead.

12 BY MR. SCHONMAN:

13 Q Mrs. Duff, did you or anyone else on the Board of
14 Translator TV, Inc., review this Financial Statement at the
15 time it was prepared?

16 A I don't specifically remember reviewing it, but it
17 was a practice at the Board meetings to do that.

18 Q Do you know if a copy was sent to Reverend Espinoza,
19 who was the CFO at the time?

20 A It would have been a practice for us to review them
21 at the Board meetings, and I don't specifically remember
22 sending him one, but I believe that, you know, at the Board
23 meetings that he would have reviewed it with all the -- with
24 the rest of the Directors.

25 Q Now, you'll notice on page 25 that it's reflected

1 for Translator TV, Inc., a negative Fund Balance in excess of
2 \$106,000. Given your testimony that this was a dormant com-
3 pany, did your review of this document raise any red flags as
4 to where this negative fund balance is coming from at the
5 time?

6 A I don't have an answer for that. I just, obviously,
7 did not focus on it.

8 Q Why is that?

9 A I don't have an answer. It -- my attention was
10 probably elsewhere and I just don't -- I don't really remember
11 reviewing the documents, this 1983 or what-- whenever the date
12 was here. '82. I'm -- '82. I don't have a real memory of
13 the meeting.

14 MR. SCHONMAN: Your Honor, I'm going to move on to
15 Volume Two.

16 JUDGE CHACHKIN: All right.

17 (Off the record.)

18 (On the record.)

19 JUDGE CHACHKIN: All right. Go ahead, Mr. Schonman.

20 MR. SCHONMAN: Mrs. Duff, can you turn to Bureau
21 Exhibit No. 70, please?

22 JUDGE CHACHKIN: What number was that?

23 MR. SCHONMAN: 70. 7 0.

24 BY MR. SCHONMAN:

25 Q And that's an annual meeting of the combined Board